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JAN 14 1942

CHARLES E. SCHAFFNER

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1941.

EXHIBIT SUPPLY COMPANY,

Petitioner,

vs.

ACE PATENTS CORPORATION,

Respondent.

GENCO, INC.,

Petitioner,

vs.

ACE PATENTS CORPORATION,

Respondent.

CHICAGO COIN MACHINE COMPANY,

Petitioner,

vs.

ACE PATENTS CORPORATION,

Respondent.

No. 154.

No. 155.

No. 156.

PETITIONERS' REPLY BRIEF.

CLARENCE E. THREEDY,

JOHN H. SUTHERLAND,

Counsel for Petitioners.



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**PETITIONERS' REPLY BRIEF.**

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To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

The colored plate at the end of Respondent's Brief does not illustrate any of the accused devices. Hence, it appears irrelevant.

Much of Respondent's discussion is quite afield from the definitely crystallized questions of law presented by the Petition and our main Brief on the merits. We deem it unnecessary to reply to Respondent's Brief, in gross, but a few points require clarification in reply.

### The Record Amply Shows the Intervening Right.

Respondent's witness Maloney, an officer of the patentee's employer and brother of the original assignee, produced (R. 89, 91) a series of advertisements, including Exhibits 23 and 24, relating to the "Home Run" game, which "appeared about that time" (February, 1937).\*

The advertisements of the "Home Run" game (Ex. 23, R. 357; and Ex. 24, R. 359) as reproduced in the record are not so clear but that one, ignorant of the facts, might misunderstand the vertical member to be a part of the spring, rather than a separate nail-like pin; but Respondent is not justified in so representing to this Court.

Any doubt about the structure shown in these advertisements of the "Home Run" game (Exs. 23 and 24) is dispelled in the light of the testimony (R. 159-160):

"XQ. 26. Mr. Koci, when you referred to the introduction of the bumper type game in the fall of 1936, you were speaking of a game that employed a bumper switch such as is mounted upon Plaintiff's Exhibit No. 11? (Mr. Ooms hands object to the witness.)

A. Not in the fall. At the close of the year.

XQ. 27. At the close of the year?

A. That is the bumper switch.

XQ. 28. Who first produced that switch, do you know?

A. I believe it was the Bally Manufacturing Company.

XQ. 29. And that was the first time you saw a game of that type on the market?

A. With that particular switch.

XQ. 30. Now, subsequently the Chicago Coin Machine Company made a device with a switch of that kind, did it not?

A. Not of that type.

XQ. 31. What was the difference?

\*Both Maloney and the patentee, Nelson, testified that they kept informed about what was going on in the industry (R. 67, 98).

A. The difference was that it did not have the member 19 extending downward and it was merely an angular annular spring and we inserted four nails into the board. This merely turned on a light or turned off a light; in other words, once this bumper spring was touched by a ball, it became dead.

XQ. 39. What about this switch, Plaintiff's Exhibit No. 5?

A. That is the one.

XQ. 40. You made that?

A. We made that.

XQ. 41. And when did you begin making those?

A. I believe the first game we started using that on was a game called 'Home Run,' and that was in the early part of 1937."

The "Home Run" game, it will be recalled, was the subject of the advertisements, Exhibits 23 and 24, published in February and March, 1937 (R. 357-9).

The claim in suit was injected into the Nelson application June 10, 1937 (R. 443-446).

#### **The Nelson Application as Originally Filed Did Not Cover the Intervening Device.**

When Respondent asserts (Brief p. 6) that Claim 2 of the original application covered the intervening device, it evidently overlooks the fact that that claim, like original Claim 1, required a

"spring including an extension"\*\* (R. 437).

The only such "extension" shown, described or suggested by Nelson's application, as filed, was the depending leg 19. Words of a claim are always read in the light of the specification (Carnegie Steel Co. v. Cambria Iron Co., 185 U. S. 403, 432; American Fruit Growers, Inc., v.

\*Emphasis supplied throughout except when contrary is indicated.

Brogdex Co., 283 U. S. 1, 6; Schriber-Schroth v. Cleveland Trust Co., 305 U. S. 47, 57).\*\*

If, as Respondent Contends, Infringement Is Determined by Mechanical Equivalents, the Claim Serves No Good Purpose.

It is idle for Respondent to say (Brief p. 8) that the doctrine of mechanical equivalents has been applied "without difficulty" since Winans v. Denmead, 56 U. S. 330. On the contrary, the difficulty forecast by the dissenting opinion in that case has repeatedly manifested itself. (See cases cited pages 13-14 of the Petition herein.) Indeed, in 1869, the Commissioner of Patents in his Annual Report to the Congress said (p. 8):

"The great source of litigation is the conflict upon the issue of infringement, or the effort on the part of the inventor to carry the patent beyond the limits assigned to it by the Office at the time of its issue."

The same Congress to which that report was made subsequently passed the Patent Act of 1870, which was the first statute requiring a patentee to "distinctly claim the part, improvement or combination which he claims as his invention or discovery."† (Sec. 26, 16 Statutes at Large 198). This is carried verbatim in R. S. 4888 (35 U. S. Code 33), now in force.

The Commissioner's criticism, above quoted, cannot be overlooked as an element influencing the statutory requirement of a formal claim.

\*\*The monopoly "cannot be enlarged by claims in the patent not supported by the description. Snow v. Lake Shore & M. S. Ry. Co., 121 U. S. 617."

In *Snow v. Lake Shore & M. S. Ry. Co.* it was held that a patentee disclosing but one embodiment and suggesting no alternatives is restricted to that form.

†The previous statute (5 Statutes at Large 117, Act of 1836) simply required the patentee to "particularly specify and point out the part, improvement or combination which he claims as his own invention or discovery."

While Respondent cites nineteen decisions of this Court (Brief pp. 10-11) and asserts that they represent reaffirmation of the doctrine of mechanical equivalents, it is significant that in but three of those cases, to-wit: Winans v. Denmead, 56 U. S. 330; Ives et al. v. Hamilton, 92 U. S. 426, and Hoyt v. Horne, 145 U. S. 302, did this Court hold a defendant liable for infringement where the accused device was not reached by the terms of the claim. And of those three cases, only Hoyt v. Horne involved a patent applied for after the Statute had been amended to require a formal claim.

On the contrary, the substance\* of the dissenting opinion

\* "The patentee, not exaggerating the theoretical superiority of the form of his car, overlooked those facts which reduced its practical value to the level of cars of a form widely variant from his own. The object of this suit is to repair that defect of observation. It is, that this court shall extend, by construction, the scope and operation of his patent, to embrace every form which in practice will yield a result substantially equal or approximate to his own (56 U. S. 346). \* \* \*

"The plaintiff confines his claim to the use of the conical form, and excludes from his specification any allusion to any other. He must have done so advisedly. He might have been unwilling to expose the validity of his patent, by the assertion of a right to any other. Can he abandon the ground of his patent, and ask now, for the exclusive use of all cars which, by experiment, shall be found to yield the advantages which he anticipated for conical cars only?

"The claim of today is, that an octagonal car is an infringement of this patent. Will this be the limit to that claim? Who can tell the bounds within which the mechanical industry of the country may freely exert itself. What restraints does this patent impose in this branch of mechanic art?

"To escape the incessant and intense competition which exists in every department of industry, it is not strange that persons should seek the cover of the patent act, for any happy effort of contrivance or construction; nor that patents should be very frequently employed to obstruct invention, and to deter from legitimate operations of skill and ingenuity. This danger was foreseen, and provided for, in the patent act. The patentee is obliged, by law, to describe his invention, in such full, clear, and exact terms, that from the description, the invention may be constructed and used. Its principle and modes of operation must be explained; and the invention shall particularly 'specify and point' out what he claims as his invention. Fullness, clearness, exactness, precision, and particularity, in the description of the invention, its principle, and of the matter claimed to be invented, will alone fulfill the demands of Congress or the wants of the country. Nothing, in the administration of this law, will be more mischievous, more productive of oppressive and costly litigation, of exorbitant and unjust pretensions and vexatious demands, more injurious to labor, than a relaxation of these wise and salutary requisitions of the act of Congress. In my judgment, the principles of legal interpretation, as well as the public interest, require, that this language of this statute shall have its full significance and import" (56 U. S. 347).

in *Winans v. Denmead* had been adopted by this Court in many cases holding that the monopoly of a patent is limited by the claims thereof. *Merrill v. Yeomans*, 94 U. S. 568; *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U. S. 274; *Burns v. Meyer*, 100 U. S. 671; *Parks v. Booth*, 102 U. S. 96; *Railroad Co. v. Mellon*, 104 U. S. 112; *Yale Lock Co. v. Greenleaf*, 117 U. S. 554; *White v. Dunbar*, 119 U. S. 47; *Day v. Fair Haven & W. Ry. Co.*, 132 U. S. 98; *Haines v. McLaughlin*, 135 U. S. 584; *Grant v. Walter*, 148 U. S. 547; *Deering v. Winona Harvester Wrks.*, 155 U. S. 286; *Singer Mfg. Co. v. Cramer*, 192 U. S. 265; *Minerals Separation v. Butte & Superior Mining Co.*, 250 U. S. 336; *I. T. S. Rubber Co. v. Essex Rubber Co.*, 272 U. S. 429; *Altoona Theatres v. Tri-Ergon Corp.*, 294 U. S. 477; *Schriber-Schroth v. Cleveland Trust Co.*, 305 U. S. 47; *Cimiotti Unhairing Co. v. American Fur Ref. Co.*, 198 U. S. 399.

Indeed, the dissenting opinion in *Winans v. Denmead* is not without recent recognition by this Court in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 62 Sup. Ct. 37, decided November 10, 1941.

If, as Respondent contends, it is mechanical equivalence, and not the terms of the claim, which determines the limits of a patent monopoly, the purpose thus repeatedly ascribed to the claim, by this Court, is destroyed, and the claim serves no purpose but to mislead.

**The Doctrine of Mechanical Equivalents as a Device for Enlarging a Patent Monopoly Beyond the Terms of the Claims Is Not in the Public Interest, and Should Be Abolished.**

We insist that the doctrine of mechanical equivalents, as applied by the lower courts in this case, following *Winans v. Denmead*, 56 U. S. 330, serves no purpose other than to enable patentees "to carry the patent beyond the

"limits assigned to it by the Office at the time of its issue," as stated by the Commissioner of Patents in 1869, *supra*.

We dispute Respondent's suggestion (Br. p. 12) that abolition of the doctrine of mechanical equivalents would interfere with the practical administration of the patent laws. Every patent applicant has full opportunity, in the Patent Office, to make his claims as broad as the prior art will permit, consistent with his disclosure. Any inventor can draw his claims broad enough to cover all the alternatives he contemplates at the time of filing, but failing to do so, no doctrine of mechanical equivalents or any other doctrine should entitle him to retroactively broaden his monopoly so as to embrace unforeseen developments of others.

Contrary to Respondent's contention (Br. p. 11) that R. S. 4888 requires an inventor only to "set forth the **best mode** of applying the principle of his invention," the statute requires, in addition, an explanation of the principle thereof. As a practical matter, when an inventor explains his principle, he can draw his claims in terms of "means" and thereby acquire protection upon the full range of alternatives or mechanical equivalents by which that principle can be reduced to practical purpose. But when, as here, the "best mode" is itself the principle, the patent must be limited to what is disclosed, as this Court held in *Snow v. L. S. & M. S. R. R. Co.*, 121 U. S. 617 (l. c. 630):

"It is not admissible to adopt the argument made on behalf of the appellants, that this language is to be taken as a mere recommendation by the patentee of the manner in which he prefers to arrange these parts of his machine. There is nothing in the context to indicate that the patentee contemplated any alternative for the arrangement of the piston and piston-rod. . . . the conclusion seems unavoidable that the patentee intended the detachment of the piston from its rod as an essential part of the combination to be covered by the first claim."

**The One Limitation Which Respondent Admits Having  
Made Pursuant to the Requirement of the Patent Office  
Clearly Precludes Infringement by Exhibits 6, 8, 9  
and 10.**

That Nelson did not accede to the Examiner's requirements in all respects does not mitigate the file wrapper estoppel created by his accession with respect to the manner of mounting the complementary conductor.

Respondent admits (Br. p. 17) that the claim in suit was limited "with respect to the complementary conductor (in Nelson the brass ferrule embedded in the board)." Of course, there can be no denial that the claim in suit was limited, by **amendment**, to the complementary conductor **embedded** in the board. When the amendment was made, Nelson's solicitor remarked (R. 450):

"Claim 7 has been significantly amended near the end to define the complementary conductor contact as being **embedded** in the table."

Previously, the claim had merely required that the complementary conductor be "carried by" the table.\*

That amendment clearly manifested an intention to disclaim all forms in which the complementary conductor was not actually embedded in the table. *Shepard v. Carrigan*, 116 U. S. 593, 598; *Smith v. Magic City Kennel Club*, 282 U. S. 784; *Sargent v. Hall Safe & Lock Co.*, 114 U. S. 63; *Hubbell v. United States*, 179 U. S. 77; *Schriber-Schroth v. Cleveland Trust Co.*, 311 U. S. 211.

Even the majority opinion in *Winans v. Denmead*, *supra*, would preclude infringement by a thing whose complementary conductor was not actually embedded in the table. In the passage quoted by Respondent (Br. p. 9) the court makes such an exception:

\*At page 18 of Respondent's brief it is admitted "the words 'carried by' are far more comprehensive than the substituted language 'embedded in'."

"the patentee \* \* \* is, in contemplation of law, deemed to claim every form in which his invention may be copied, **unless he manifests an intention to disclaim some of those forms.**"

By deliberate amendment, acquiescing in the requirement of the Examiner, the embedding of the conductor in the table became, if indeed it was not already, a *sine qua non* of Nelson's patent. Nothing can infringe which does not include such a complementary conductor actually embedded in the table. Respondent's brief makes no assertion that the complementary conductors of Exhibits 6; 8, 9 and 10 are actually embedded in the table. They cannot infringe.

#### Summary.

The patent in suit was limited by amendment, pursuant to requirement of the Patent Office, to a structure in which the complementary conductor was actually embedded in the table. Such an amendment constituted a disclaimer of all forms in which the complementary conductor was mounted otherwise.

In Exhibit 6, the complementary conductor is mounted in a plate, **which rests on the top surface of the table.** The conductor extends through a large hole in the table. There is no embedded relation.

In Exhibit 10, the complementary conductor is mounted in an insulating plug which, in turn, is mounted in a plate which rests on the **top surface** of the table. The conductor, as well as the plug, extends through a large hole in the table. The embedded relation is absent.

In Exhibit 8, the complementary conductor is a sleeve surrounding the standard and connected with a plate which rests on the **top surface** of the table. A wire lead-

ing to the plate extends through a large hole in the table. The embedded relation is again lacking.

In Exhibit 9, the complementary conductor is a sleeve surrounding an insulating cup held well above the top surface of the table. A wire leading to the sleeve passes through a large hole in the table. None of these parts even touch the table. They cannot be embedded therein.

In Exhibit 5 and Exhibit 7 the complementary conductor is a nail or pin driven into the table. Construed by the dictionary, this may be "embedded," but circumstances exist here which require a more restricted construction of "embedded." The circumstances are:

- (a) That after Exhibit 5 appeared on the market, the Nelson application was amended "almost in the very words" of Exhibit 5. If this does not "destroy the patent" (Powers Kennedy Co. v. Concrete Co., 282 U. S. 175, 186), or constitute such unclean hands as to bar relief (Keystone Driller Co. v. General Excavator Co., 290 U. S. 240; Morton Salt Co. v. G. S. Suppiger Co., decided January 5, 1942), it at least compels a restriction of the claim by the specification (Railway Co. v. Sayles, 97 U. S. 554, 563, 564; Schriber-Schroth v. Cleveland Trust Co., 305 U. S. 47, 57).
- (b) That Nelson disclosed but one form in his application, as filed, and suggested no alternative for the leg extension 19 or the annular ferrule embedded in the table. In such circumstances, the patent must be restricted to the form shown (Snow v. Lake Shore and M. S. Ry. Co., 121 U. S. 617, cited with approval in Schriber-Schroth v. Cleveland Trust Co., 305 U. S. 47, 57).

While we submit that the so-called doctrine of mechanical equivalents, as applied in Winans v. Denmead, 56 U. S. 330; Ives v. Hamilton, 92 U. S. 426, and Hoyt v. Horne, 145 U. S. 302, to enlarge the monopoly a patent beyond

the terms of its claim should be abolished; it is clear that such doctrine should not be applied to render nugatory a file wrapper estoppel or an intervening right as established in this case. Even if such doctrine of mechanical equivalents is not abolished, the existence of the file wrapper estoppel, and the existence of the intervening right, would seem to preclude infringement by any one of the accused devices.

It is, therefore, respectfully submitted that the judgment of the court below should be reversed and the cases remanded to the District Court, with directions to dismiss the Complaints.

Respectfully submitted,

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St. Louis, Mo.,

January 10, 1942.